

*Chicopee Municipal Lighting Board
Minutes of Meeting
Thursday, March 11, 2010*

Chairman Sittard called a regular meeting of the Chicopee Municipal Lighting Board to order at 5:30 p.m., Thursday, March 11, 2010.

Present for this meeting were Chairman Carl E. Sittard, Commissioner Chester T. Gazda and General Manager and Clerk of the Board Jeffrey R. Cady. Commissioner Thomas P. Collins asked to be excused. Also present for this meeting was Robert Pajak.

Commissioner Gazda made a motion to accept the minutes of February 9, 2010 as presented. Commissioner Sittard seconded the motion. Discussion: None; Motion was passed 2 to 0.

Commissioner Gazda made a motion to concur with the payments of **Warrant #E021910** dated 2/12/2010 for the amount of \$97,809.82; **Warrant #E022610** dated 2/17/2010 for the amount of \$78,937.45; **Warrant #E022610** dated 2/22/2010 for the amount of \$1,859,583.17; **Warrant #E030510** dated 2/24/2010 for the amount of \$193,983.19; **Warrant #E030510** dated 3/1/2010 for the amount of \$15,226.56; **Warrant #E031210** dated 3/3/2010 for the amount of \$99,801.24 and **Warrant #E031210** dated 3/8/2010 for the amount of \$1,908,482.60. Commissioner Sittard seconded the motion. Discussion: None; Motion was passed 2 to 0.

Commissioner Gazda made a motion, to pay ***Bills & Customer Refunds*** in the amount of **\$263,468.46**. Commissioner Sittard seconded the motion. Discussion: None; Motion was passed 2 to 0.

The General Manager provided the Commissioners with an update of the Stony Brook #3 Generation Plant. Currently MMWEC is negotiating with third parties to be joint owners in the project for the remaining output of the plant. The Municipal Light Plants have agreed to purchase approximately $\frac{3}{4}$ of the output. It is expected that Power Sales Agreements will be signed in the summer to early fall. Online commercial date is expected to be sometime in 2014.

The General Manager informed the Commissioners that Chicopee Electric Light will be applying for the Google Fiber Project. CEL will apply individually and as a regional group with Westfield, Holyoke, and South Hadley. The General Manager believes that the regional approach will provide the best chance because it differentiates them from the competition. The Commissioners were supportive of this effort and agreed that the regional approach made sense.

The General Manager discussed the acquisition of Integrity's Power Brokering by Macquarie Energy because it affects some of CEL's long term power contracts. Because Macquarie is owned by a hedge fund in Australia, CEL is concerned that the credit support provisions of the contract could be affected. CEL is working with legal council to insure its rights are fully protected and that guarantees under the contract can be enforced within US Courts.

The General Manager presented the Commissioners with the 2009 Reliability Report. He explained each of the measured indices and how they compare to past years. All indices for 2009 were better than the 5 year average.

The General Manager handed out the 5 year goals and objectives. The General Manager and the Commissioners discussed each of the Goals and Objectives.

The General Manager explained that the current MMWEC agreement only allows MMWEC to hedge for six months out. In order to hedge further, MMWEC needs a vote by the Commission authorizing them to purchase for longer periods of time. Commissioner Gazda made a motion that:

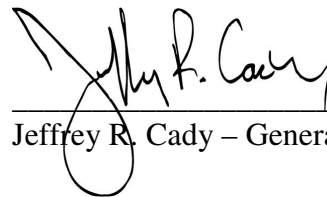
- (1) that the city, acting through the General Manager of Chicopee Electric Light and/or its Municipal Lighting Board, periodically needs to purchase, sell, assign or transfer entitlements of capacity and energy, or other products available to it, among other reasons, in order to meet its increased load, reduce its power costs, minimize its power supply risk, maximize its power supply value or improve its power supply mix; and
- (2) that the General Manager of Chicopee Electric Light is hereby authorized and delegated the authority (with the exception of Project Capability as defined in the Power Sales agreements between MMWEC and the city of Chicopee) to execute, deliver and perform agreements with the Massachusetts Municipal Wholesale Electric Company (MMWEC) and to bind the city, acting through this Municipal Lighting Board, from time to time, and without limiting the following, for the purchase, sale, assignment or transfer of entitlements of capacity and energy or other products in such amounts at such prices and upon such terms as may be agreed to by the General Manager, without the necessity for any further action by this Municipal Lighting Board (Transactions); and
- (3) that such agreements may contain provisions for working capital, lines of credit or other evidences of indebtedness related to the transactions, step-up, credit and collateral enhancements and requirements, prepayment and other matters deemed necessary or desirable by the General Manager to carry out the purposes of the transactions; and
- (4) that such Transactions reflected in such agreements (a) to purchase entitlements of capacity and energy shall not exceed 50 megawatts in aggregate, at any time, and (b) to sell, assign or transfer entitlements of capacity and energy, or other products shall not exceed 50 megawatts in aggregate at any time; and
- (5) that any such Transactions may be for periods up to and including 5 years, in accordance with the preceding paragraphs; and
- (6) that the General Manager is hereby authorized and directed to take such other actions as the General Manager deems necessary or advisable to carry out the purposes of this vote.

Commissioner Sittard seconded the motion. Discussion: None; Motion was passed 2 to 0.

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The General Manager notified the Commissioners that he had discussions with WMECO personnel and that WMECO was going to abandon the service territory at the old Uniroyal and Facemate buildings. CEL is waiting to receive a formal letter from WMECO.

Commissioner Sittard made a motion to adjourn at 6:30 pm. Commissioner Sittard seconded the motion. Discussion: None; Motion was passed 2 to 0.



Jeffrey R. Cady – General Manager

Approved: April 12, 2010